DEPARTMENT OF HEALTH AND HUMAN SERVICES

PUBLIC HEALTH SERVICE
NATIONAL INSTITUTES OF HEALTH
BETHESDA, MARYLAND 20205

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Dr. Oleg Jardetzky Professor of Pharmacology and Director Stanford Magnetic Resonance Laboratory Stanford University Standford, California 94305

Dear Dr. Jardetzky:

Thank you for you June 9 letter to Dr. Fredrickson on behalf of the Steering Committee of the Association for Advanced Technology in Biomedical Sciences. Although my colleagues and I share your view about the importance of the Biotechnology Resources Program (BRP) of the Division of Research Resources (DRR), there is little we can do to improve the BRP funding situation in 1981 in the light of current budget constraints and the fact that we have completed about three-quarters of the fiscal year.

As you are aware, the President proposed a rescission of \$10,745,000 for the Division of Research Resources and a total rescission of \$125,995,000 for the National Institutes of Health. On June 5 the President signed into law the Continuing Resolution that rescinded \$8,812,000 from DRR and a total of \$47,041,000 from NIH. The proposed rescission levels for each program of DRR were established carefully under NIH administrative guidelines and with program goals in mind. For DRR, each program was reduced significantly below its commitment base level with the exception of BRP, which retained all of its committed funds plus \$1,134,000 of "new" money. This was done in recognition of the needs and opportunities for this class of resources.

The lateness of Congressional action on the rescission proposal leaves little operating flexibility for the DRR or the rest of the NIH. Two of the five programs in the DRR have already awarded all of their funds, and a third has an earmark which the Congress directed not be changed. Moreover, the only program remaining with available funds has suffered a 5 percent reduction below its commitments, making any further reductions seem inequitable. On balance, it appears that the present distribution is the most equitable method of distributing the rescission.

Sincerely yours,

Thomas E. Malone, Ph.D.

Deputy Director